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Chief of Records A TTN: Request for Comments
Office of Foreign Assets Control
Department of the Treasury
1500 Pennsylvania Ave., N. W.
Washington, D.C. 20220

The American institute of Marine Underwriters (AIMU) welcomes this opportunity to comment on Enforcement Guidelines published by the Office of Foreign Assets Control (OFAC) in the Federal Register on January 29, 2003. For over 100 years, AIMU has been the national trade association for this country's ocean marine insurers. Its members supply insurance coverage which provides critical support to the U.S. foreign trade by protecting the maritime industry, its vessels and the cargoes they carry from a wide range of marine risks.

We recognize that OFAC is charged with administering embargoes and sanctions imposed under U.S. law and is not responsible for creating these prohibitions on doing business with designated countries and entities. However, you have certainly heard the litany of complaints which, not long ago, prompted Congress to consider legislation to require a balancing of national security considerations with the potential damage to U.S. economic interests before sanctions are imposed. In the post September 11, 2001 environment, that legislation has been temporarily set aside, but the fact remains that loyal American businesses have a heavy compliance burden arising from OFAC-administered sanctions which is not shared by their competitors in the global marketplace.

Since OFAC does have the flexibility to determine the appropriate penalty in case of a violation of its sanctions by balancing the mitigating and aggravating factors, we invite your attention to a compliance issue for insurers of international trade. This problem is created when insurers issue policies providing coverage that may then be related to a third party with an interest in the insured party. The insurer may not be in privity with the third party, and the third party may not be subject to U.S. jurisdiction. Even the latest computer software cannot alert its user to names and other transaction details that are not made available to an insurer.

In summary, we urge OFAC to add as a "mitigating factor" the impediment to compliance caused by lack of access to information which causes a violation of U.S. embargoes or sanctions programs. Please understand that we cannot imagine that anyone of our Member Companies would knowingly offer coverage for illegal operations or activities.

Very truly yours,

James M. Craig

Vice President